

Message Text

LIMITED OFFICIAL USE

PAGE 01 MADRID 07428 261725Z

21

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 TAR-01

CIAE-00 COME-00 FRB-01 INR-05 NSAE-00 XMB-02 OPIC-03

LAB-01 SIL-01 PA-01 PRS-01 USIA-06 /074 W

----- 119873

R 261700Z NOV 74

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 525

INFO AMCONSUL BARCELONA

AMCONSUL BILBAO

LIMITED OFFICIAL USE MADRID 7428

E.O. 11652: N/A

TAGS: BEXP SP

SUBJ: PREFESENTIAL INTEREST DECREE FOR ELECTRONICS
INDUSTRY

REF: STATE A-8493; MADRID A-185

1. ALTHOUGH DECREE 2593 OF 20 JULY 1974, SUBMITTED WITH
MADRID A-185 INCLUDES CONCEPT OF HOMOLOGATION OR
STANDARDIZATION IT KNOWN AS "PREFERENTIAL INTEREST
DECREE."

2. NO SPECIFIC REFERENCE TO EXCLUSIVITY OTHER THAN
NORMAL EXCLUSIVE RIGHTS GRANTED AGENT OR DISTRIBUTOR.
HOWEVER, BENEFITS GRANTED DOMESTIC MANUFACTURER UNDER
PRESENTIAL INTEREST EFFECTIVELY CUT NON-PREFERENTIAL
DOMESTIC MANUFACTURERS OUT OF PICTURE. ALSO, USUAL
PROTECTIVE TARIFFS GRANTED NEW DOMESTICALLY MADE
PRODUCTS EFFECTIVELY ELIMINATE IMPORTS (SEE PROTECTIVE
TARIFFS ON BATTERY OPERATED CALCULATORS REPORTED
MADRID A-241, 24 OCT 1973). GOVERNMENT REGULATIONS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MADRID 07428 261725Z

ALSO GIVE FIRST PREFERENCE LOCAL PRODUCTS IN OFFICIAL

SUPPLY CONTRACTS, AN IMPORTANT CONSIDERATION IN
ELECTRONICS FIELD.

3. GOVERNMENT SOURCE INFORMALLY TOLD EMBOFF COMPUTER
PART OF DECREE DESIGNED SET-UP ONE DOMESTIC FIRM WITH
PREFERENTIAL INTEREST TO MANUFACTURE MINI TO MEDIUM SIZE
COMPUTERS. THREE NON-AMERICAN FIRMS CURRENTLY COMPETING
TO FORM JOINT VENTURE UNDER PREFERENTIAL INTEREST
FORMULA WITH ONLY CURRENT DOMESTIC COMPUTER MANUFACTURER.

4. EMBOFF PERSONALLY ALERTED TWO LEADING AMERICAN MANU-
FACTURERS MINI TO MEDIUM COMPUTERS TO DECREE AND FOREIGN
INTEREST FORMING JOINT COMPUTER VENTURE. POINTED OUT
PROTECTIVE TARIFFS WOULD EFFECTIVELY BLOCK ENTRY AMERICAN
PRODUCTS IF AND WHEN NEW DOMESTIC PREFERENTIAL INTEREST
VENTURE BEGINS THEIR PRODUCTION. AMERICAN FIRMS CONTACTED
EXPRESSED NO INTEREST SEEKING PREFERENTIAL INTEREST VENTURE
WITH SPANISH PARTNER. APPARENTLY THEY BELIEVE DOMESTIC
VENTURE WILL FAIL. EMBOFF PERSONAL INSPECTION (ALBEIT WITH
LIMITED TECHNICAL KNOWLEDGE) CURRENT DOMESTICALLY MADE
PRODUCT LEADS HIM BELIEVE AMERICAN FIRMS VIEW SHORT
SIGHTED.
EATON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MADRID07428
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740343-0684
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741112/aaaaajsg.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE A-8493; MADRID A-185
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 12 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 JUN 2002 by cunninfx>; APPROVED <19-Nov-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PREFESENTIAL INTEREST DECREE FOR ELECTRONICS INDUSTRY
TAGS: BEXP, SP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005